



EUROPEAN COMMISSION
Impact Assessment Board

Brussels,
D(2012)

Opinion

Title **DG CNECT – Impact Assessment on an EU initiative to reduce costs and increase efficiency in the deployment of high speed broadband**

(draft version of 10 October 2012)*

(A) Context

The Digital Agenda for Europe, one of the flagship initiatives of the Europe 2020 Strategy, sets ambitious broadband coverage and speed targets. Among others, it requires Member States to take measures, including legal provisions, to facilitate broadband investment. This impact assessment accompanies a proposal aiming to deploy high-speed broadband networks cheaper and faster. It does so by ensuring an improved access to passive infrastructure suitable for broadband rollout, more opportunities for cooperation in civil engineering works, a streamlined permit granting procedure, and more Next Generation Access (NGA) ready buildings. The initiative follows a call from the 2012 Spring Council for steps to be taken at EU level to achieve costs savings as part of efforts to complete the Digital Single Market by 2015.

(B) Overall assessment

The report requires significant further work on several important aspects. Firstly, it should improve the problem definition by presenting a clearer overview of the inefficiencies at EU and Member States level (where do they stem from and how they compare in the international context) and by transparently describing the process that led to the final selection of problems. It should also provide robust evidence that differences in rules, procedures and practices in Member States constitute an important entry barrier leading to fragmentation of the single market. The baseline scenario should be strengthened by providing a fuller assessment of the developments expected from the existing and planned initiatives at EU and Member States level. Secondly, the report should strengthen the subsidiarity argument, given that measures could also be taken by the Member States and that the current regulatory framework provides tools to deal with the inefficiencies identified. Thirdly, the report should better design and present (packages of) options dealing with the totality of problems identified. The options should be differentiated in terms of substance rather than delivery form. Fourthly, the report should provide a robust and balanced assessment of all relevant costs and benefits of the various options (including their allocation) underpinned by robust evidence. Finally, the report should better reflect the views of stakeholders on all key elements, particularly when their views are divergent or conflicting.

Given the nature of these recommendations, the Board asks DG CNECT to submit a revised version of the report, on which it will issue a new opinion.

* Note that this opinion concerns a draft impact assessment report which may differ from the one adopted

(C) Main recommendations for improvements

(1) Improve the problem definition and baseline scenario. The report should better present the overall policy context by putting the current situation in the EU and individual Member States in comparison to the US or major competitors in Asia, informed by key indicators, such as broadband coverage, investments undertaken and prices. On that basis it should provide; (i) a clearer overview of the inefficiencies (or market failures) and their drivers at EU and Member States level holding back the roll-out of high speed broadband; and (ii) a transparent account of the screening process that led to the final selection of inefficiencies to be tackled by this initiative. The report should provide robust evidence that differences in existing regulatory rules, procedures and practices at national, regional and even local level constitute an important entry barrier or lead to unnecessary costs for companies willing to operate on a cross-border basis, leading to fragmentation of the single market. The baseline scenario should be strengthened by providing a fuller assessment of the developments expected from the existing and planned initiatives at EU and Member States level, and the report should clarify why markets cannot enforce standards effectively.

(2) Strengthen the subsidiarity arguments. Given that measures could also be taken by the Member States and that the current regulatory framework provides tools to impose access within the telecom sector, the report should strengthen arguments supporting the need for, value added and proportionality of further action at EU level.

(3) Intervention logic and option design. The report should define objectives in SMARTer terms, measurable by robust progress indicators and link them clearly to the identified problems and the options that can adequately address them. For instance, the report should set out a measurable target for the increase in the use of existing passive infrastructure. On that basis the report should propose (packages of) policy options that deal with the totality of problems identified. For instance, a policy package may be formed of guidance, legislative and other measures dealing with individual problems in a proportionate manner. The report should define proportionate policy options primarily according to their substance rather than form or legal delivery instrument. It should better detail the contents of the refined options and should outline whether options have been discarded at an early stage. The report should discuss to what extent the UK example of sharing costs between the housing and the telecom sector could serve as an example of shared best practice.

(4) Better assess and compare impacts of options. The report should provide a robust and balanced assessment of all relevant costs and benefits of the various options (including their allocation across public and private actors), underpinned by credible evidence. It should improve the assessment of administrative burdens and provide an analysis of social impacts and their expected magnitude (including on the digital divide and on performance in sectors such as health care and education, and the consequences for public budgets). Where evidence does not exist, this should be explained and conclusions accordingly adjusted. Finally, the report should better compare options against the baseline scenario by using the standard criteria of effectiveness, efficiency and coherence, and by presenting the outcomes in tabular form. Administrative burden should be addressed in the body of text while the methodology and computation could be left to the Annex.

(5) Better present stakeholders' views. The report should provide stakeholders' views throughout the report in relation to all key elements of the report, particularly when their views are divergent or conflicting. In these instances, the report should explain how their

concerns have been taken into account.

Some more technical comments have been transmitted directly to the author DG and are expected to be incorporated in the final version of the impact assessment report

(D) Procedure and presentation

In order to keep the length of the report at accessible level, the report should provide a more focused and concise analysis of the impact section (moving some of the tables summarising impact by stakeholder and those in section 6.1 to an annex) and should avoid repetitive statements. It should avoid presenting conclusions about the overall success of the options even before the assessment of impacts has been carried out. The report would benefit from a glossary of technical terms.

(E) IAB scrutiny process

Reference number	2012/CNECT/022
External expertise used	No
Date of IAB meeting	7 November 2012